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NAVAL SUPPLY SYSTEMS COMMAND
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COMMERCIAL
AUTOMAT
IN REPLY REFER TO:

4200
Ser21A2/2111
10 Jun 02

From: Commander, Naval Supply Systems Command

Subj: SEPARATION OF FUNCTIONS

Ref: (a) NAPS 5203.101-1

1. The purpose of this policy letter is to ensure that activities within the NAVSUP claimancy are protecting the integrity of the purchase card process by ensuring that independent receipt and acceptance of all goods and services is properly documented and that programs are maintaining an organizational three-way separation of functions. Agency Program Coordinators (APCs) throughout the NAVSUP claimancy are reminded that Approving Officials (AOs) should be in the cardholder's direct chain of command and should not have responsibility for initiation of the requirement, purchasing/ordering and receipt/inspection/acceptance of supplies and services. Strict adherence to the separation of functions guidance outlined in reference {a) is required.

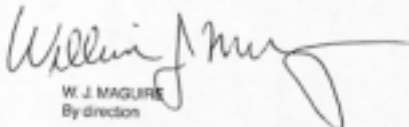
2. Reference {a) defines separation of functions as a process in which a single individual performs only one of the following functions, initiation of the requirement; award of contract or placement of order; and receipt, inspection, and acceptance of supplies or services. If the cardholder is picking up the material at the contractor's location, the end user or designated receiving personnel should sign for final receipt. In the event the cardholder is the end user, another designated individual must sign the receipt. Each procurement file shall include a properly signed and dated final vendor receipt as documented evidence of independent receipt and acceptance.

3. "Separation of functions" is a key element in preventing fraud, misuse and abuse within the DON purchase card program. In order to protect the integrity of the process, a three-way organizational separation of functions shall be required for all NAVSUP claimancy Purchase Card Programs.

4. Failure to adhere to these fundamental programmatic checks and balances could result in suspension of card privileges and/or disciplinary action.

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5. Point of contact for questions regarding this policy letter is Mr. Bob Desmarets, 717-605-2521, DSN 430-2521 or via e-mail at Robert_J_Desmarets@navsup.navy.mil.



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